

1 BILL SMITH

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3 MR. SMITH: Members of the Commission, thank you for  
4 this opportunity to discuss the social impact of riverboat casino  
5 gambling in the state of Indiana. I'm Bill Smith, Executive  
6 Director of Indiana Family Institute.

7 Unlike many midwestern states, riverboat casinos are  
8 a relatively new form of gambling in Indiana. Ten riverboat  
9 licenses have been created by the State Gaming Commission,  
10 allowing for casinos along the Ohio River in Southern Indiana and  
11 on Lake Michigan in Northwest Indiana. The first riverboat  
12 casino opened in December of 1995 in Evansville.

13 Despite the short data collection period available to  
14 us, enough troubling trends have surfaced to cause Governor Frank  
15 O'Bannon to appoint a commission to study the consequences of  
16 gambling in Indiana. In another effort to study the social cost  
17 of gambling, the Indiana State Department of Mental Health has  
18 just commissioned Louisiana State University to investigate and  
19 report upon the increasing concerns over addictions and family  
20 breakdown.

21 It's not necessary, however, for us to wait for these  
22 reports and studies to be completed to determine whether Hoosier  
23 families are paying a high price for the privilege to gamble.  
24 According to the 1998 State of the Industry report, gaming  
25 estimates for Indiana riverboats will reach \$1.5 billion by the  
26 year 2000. The report found that the most frequent gamblers in  
27 Indiana are in Vanderburg County, the home of the riverboat  
28 casino Astar. The report estimates that 51 percent of Evansville  
29 area residents visit the casino each year, with the average

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1 person attending 18 times each year. Even before casino Astar  
2 opened, Evansville therapists and mental health agencies began  
3 gearing up for the increase in addictions to gambling.

4 As a result of expert predictions that between three  
5 and six percent of the entire population of Vanderburg County  
6 would develop compulsive gambling habits, the Southern Indiana  
7 Mental Health Center's addiction treatment center trained 20  
8 therapists to become certified compulsive gambling counselors.

9 Just 22 months after casino Astar opened, Ladies Home  
10 Journal listed the divorce rate in Evansville, Indiana as the  
11 third highest in the nation, behind Reno and Las Vegas, Nevada.  
12 The magazine gave no reason for this unexpectedly high divorce  
13 rate, but we do know from other studies that gambling addiction  
14 and debts play a prominent role in increased divorce rates. In  
15 fact, a 1995 survey of compulsive gamblers here in Illinois found  
16 that 26 percent were divorced or separated due to gambling  
17 problems.

18 When we consider that approximately 75 percent of  
19 divorces involve minor children, we begin to see a clear picture  
20 of gambling's impact on families. Recent reports from the  
21 Evansville Courier found an increase in gambling related  
22 bankruptcies. In Northwest Indiana, the other area for Indiana  
23 riverboats, the Times of Munster, Indiana reported that up to 18  
24 percent of bankruptcies around Lake County are linked to  
25 gambling.

26 Again, even before Governor O'Bannon's commission  
27 releases its report, it is easy to see how these financial  
28 pressures and behavioral problems lead to the breakdown of  
29 families in our state. That there is a high cost to society is

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1 not even debated in most circles in Indiana. The question to be  
2 answered relates to the extent of the damage, not whether it  
3 exists. Even Joe Cole, Vice President of Corporate  
4 Communications for the casino Astar said the riverboat would be  
5 making donations to Evansville social service agencies to assist  
6 with the problem of gambling addictions.

7 It is evident from these actions that the gaming  
8 industry in Indiana and our state government already know that  
9 there is a destructive side to gambling. At this time in our  
10 state, the stories, the anecdotes, the reports of increased  
11 bankruptcy, divorce, suicide and hurt children will have to  
12 suffice until we calculate the numbers and are able to fully  
13 quantify the impact of gambling on the families of our state.  
14 Thank you.

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